

Long-term disability

FRONTIER DEVELOPMENT LLC



Effective date: December 1, 2020

Voluntary long-term disability for members earning less than 75,000 annually

"Or" definition of disability

During the first 12 months, an employee will be considered disabled if, because of sickness, injury or pregnancy, one of the following applies:

- Unable to perform a majority of the substantial and material duties of his/her own job; OR
- Unable to earn 80% of his/her predisability income while working in his/her own job in a modified capacity or any job.

After the first 12 months of a disability, an employee will be considered disabled if, because of sickness, injury or pregnancy during the elimination period and own occupation period, one of the following applies:

- Unable to perform a majority of the substantial and material duties of his/her own occupation; OR
- Unable to earn 80% of his/her predisability income while working in his/her own occupation in a modified capacity or any occupation.

An employee will be considered disabled if, after completing the elimination period and own occupation period, one of the following applies:

- Unable to perform a majority of the substantial and material duties of any occupation for which he/she is or may reasonably become qualified based on education, training or experience; OR
- Unable to earn 80% of his/her predisability income while working in his/her own occupation or any occupation in a modified capacity.

Own occupation period	2 years
Elimination period	180 days
Monthly benefit	Benefit percentage: 60% of predisability earnings Maximum: \$10,000
Minimum monthly benefit	Minimum: \$100

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Benefit duration	To age 65 (reducing benefit duration)
	For employees who become disabled before age 62, disability benefits are payable until the later of the date they reach age 65 or 42 months after the benefit payment period begins. For employees who become disabled at or after age 62, disability benefits are payable until the date the benefit payment period reaches the number of months shown below:
	Age disability occurs
	Age 62
	Age 63
	Age 64
	Age 65
	Age 66
	Age 67
	Age 68
Age 69 and over	
	Length of benefit payment period
	42 months
	36 months
	30 months
	24 months
	21 months
	18 months
	15 months
	12 months
	Disability benefits end when employees recover, cease to be under the regular and appropriate care of a physician, fail to provide any required proof of disability, fail to submit to a required medical examination, fail to report income from other sources or any other required earnings information, fail to pursue Social Security disability benefits or Workers' Compensation benefits, or die.
Definition of earnings	Base wage Compensation for business owners covers the net profits plus salary, averaged over the prior two calendar years.
Salary continuation	Offset
Preexisting conditions	12 months prior / 12 months insured
Mental health conditions	24 month benefit limit
Drug and alcohol abuse conditions	24 month benefit limit
Special conditions	24 month benefit limit
Employer contributions	Contributory - employer pays 0%
Employee participation	20% or 5 lives, whichever is greater
Integration method	Direct
Social security integration	Primary and family
Work incentive benefit	12 months
Coverage for work related disabilities	Yes
Survivor benefit	3 months gross

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Effective date: December 1, 2020

...continued

Voluntary long-term disability for members earning 75,000 or more annually

<p>*Or* definition of disability</p>	<p>During the first 12 months, an employee will be considered disabled if, because of sickness, injury or pregnancy, one of the following applies:</p> <ul style="list-style-type: none"> • Unable to perform a majority of the substantial and material duties of his/her own job; OR • Unable to earn 80% of his/her predisability income while working in his/her own job in a modified capacity or any job. <p>After the first 12 months of a disability, an employee will be considered disabled if, because of sickness, injury or pregnancy during the elimination period and own occupation period, one of the following applies:</p> <ul style="list-style-type: none"> • Unable to perform a majority of the substantial and material duties of his/her own occupation; OR • Unable to earn 80% of his/her predisability income while working in his/her own occupation in a modified capacity or any occupation. 																		
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Insurance issued by Principal Life Insurance Company, 711 High Street, Des Moines, IA 50392

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Preexisting conditions	12 months prior / 12 months insured
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Employer contributions	Contributory - employer pays 0%
Employee participation	20% or 5 lives, whichever is greater
Integration method	Direct
Social security integration	Primary and family
Work incentive benefit	12 months
Coverage for work related disabilities	Yes
Survivor benefit	3 months gross
Income from other sources	<p>We coordinate disability benefits with income disabled employees receive from other sources. These include all retirement or disability benefits that employees and their dependents receive or could have received, from Social Security or other government agencies; salary continuance; personal time off or sick pay; Workers' Compensation benefits; income from state disability plans; payments from policies that provide coverage for time away from work, if paid in part by or deducted from payroll by the policyholder; income from other group disability insurance policies; disability or retirement benefits paid by pension plans sponsored by the policyholder; income received from no-fault auto laws; renewal commissions received from the policyholder; severance pay; and all payments for the month that the member receives under state unemployment laws.</p> <p>Other income sources do not include individual disability insurance; profit sharing plans; thrift savings plans; nonqualified deferred compensation plans; 401(k) plans; individual retirement accounts (IRAs); stock ownership plans; Keogh (HR-10) plans; any cost of living increases paid in connection with other sources of income; Social Security or pension plan payments that were being received prior to the current disability; and any income the member receives for services rendered prior to the member's date of disability.</p> <p>Any income the member receives for services rendered prior to the member's date of disability will not be considered other income sources.</p>

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Income from other sources

We coordinate disability benefits with income disabled employees receive from other sources. These include all retirement or disability benefits that employees and their dependents receive or could have received, from Social Security or other government agencies; salary continuance; personal time off or sick pay; Workers' Compensation benefits; income from state disability plans; payments from policies that provide coverage for time away from work, if paid in part by or deducted from payroll by the policyholder; income from other group disability insurance policies; disability or retirement benefits paid by pension plans sponsored by the policyholder; income received from no-fault auto laws; renewal commissions received from the policyholder; severance pay; and all payments for the month that the member receives under state unemployment laws.

Other income sources do not include individual disability insurance; profit sharing plans; thrift savings plans; nonqualified deferred compensation plans; 401(k) plans; individual retirement accounts (IRAs); stock ownership plans; Keogh (HR-10) plans; any cost of living increases paid in connection with other sources of income; Social Security or pension plan payments that were being received prior to the current disability; and any income the member receives for services rendered prior to the member's date of disability.

Any income the member receives for services rendered prior to the member's date of disability will not be considered other income sources.

Limitations

The proposed policy contains restrictions and limitations. Before making a purchase decision, review the following limitations and resolve any questions. The following limitations and restrictions are applied as required by state law or as otherwise described in the group policy.

No benefits will be paid to employees with disabilities resulting from: willful self injury while sane or insane / war or an act of war / participation in an assault or felony / a new or continuing disability that begins after an employee's benefit payment period has ended, but the employee has not returned to active work.

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Treatment of mental health conditions and drug and alcohol abuse conditions and special conditions

A disability is considered due to alcohol, drug or chemical abuse, dependency or addiction or a mental health condition or a special condition if the disability is caused by one of these condition(s) and not by other disabling conditions.

The following maximum benefit payment periods apply:

Mental health conditions: 24 months

Alcohol, Drug or Chemical Abuse Conditions: 24 months

Special conditions: 24 months

The benefit payment period listed above is a lifetime maximum for all periods of disability. All disabilities from conditions with the same maximum benefit payment period contribute toward one lifetime maximum. However, if at the end of the benefit duration, an employee is confined in a hospital or any other type of facility providing treatment for any of these conditions, the benefit payment period may be extended to include the time period an employee remains confined for treatment.

Special conditions are considered to be: thoracic outlet syndrome / headaches, such as functional, migraine, organic, sinus and tension / chronic fatigue syndrome / fibromyalgia / temporomandibular joint (TMJ) / cumulative trauma disorder, overuse syndrome or repetitive stress disorder including carpal tunnel and ulnar tunnel syndrome / environmental allergies and multiple chemical sensitivity / musculoskeletal and connective tissue disorders of the neck and back, including any disease or disorder of the cervical, thoracic and lumbosacral back and surrounding soft tissue, including sprains and strains of joints and adjacent muscles, but not including conditions such as arthritis, ruptured intervertebral discs, scoliosis, spinal fractures, spinal tumors, malignancy or vascular malformations.

Preexisting conditions

A preexisting condition is a sickness or injury, including all related conditions and complications, or pregnancy for which employees received medical treatment, consultation, care or service; or were prescribed or took prescription medications in the 12 month period prior to their effective date under the policy. Benefits are not paid for disabilities resulting from preexisting conditions unless, when employees become disabled, they have been actively at work for one full day after being covered under the policy for 12 consecutive months.

Rehabilitation benefits

Reasonable accommodation benefit	\$5,000
Rehabilitation incentive benefit	5% increase in the monthly benefit percentage for 12 months